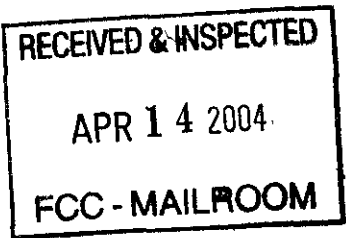


Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC



In the Matter of:)	
)	
Request for Review of the)	
Decision of the)	
School and Libraries Division of the)	CC Docket Number 02-6
Universal Service Administrative Company in)	
)	File Number SLD App 362101
Hartford Public Schools)	FRN 986491
Hartford, Connecticut)	Funding Year 6 (2003-2004)

To: Office of the Secretary, Federal Communications Commission
Telecommunications Access Policy division, Wireline Competition Bureau;

REQUEST FOR REVIEW

The Hartford Public Schools ("School District" or "Hartford") requests that the Commission review the decision of the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") in the above referenced matter.¹ The applicant School District filed a timely submission of Form 471 Number 362101 (FRN 986491) along with six other forms 471² in the current funding year (Year 6). All seven applications were originally denied, and six of the seven (all except 364123 for cellular telephone service) were appealed, in a timely manner, to the SLD. The SLD rejected the six appeals. Hartford herein appeals to the Commission to review and overturn one application: Form 471 Number 362101, which provides for the discount of basic local and long distance telecom-munications service for the Hartford Public Schools, a district of approximately 24,000 students.

¹ Form 471 Application Number 362101, Funding Request Number 986491.

² Forms 471 Applications Number	Funding Request Numbers
363744	986631
363823	986923
364123	987979
364573	989659, 989903, 989912, 993136
364924	990849
364936	990877, 990945, 990948, 992227

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I. SUMMARY

At issue is the SLD's decision to reject this (and five other Form 471 applications) for failure to demonstrate that, at the time of filing the Form 471, the District had secured access to the funds necessary to pay its portion of the charges. All the applications were filed as schools district applications. Form 471 Number 362101 requested discounts for basic telecommunications services, specifically local and long distance service through the local exchange carrier, Southern New England Telephone Company. In this appeal to the Commission, the Hartford Public Schools have decided to drop the appeal on all remaining Form 471 applications filed for the current funding year, and pursue an appeal on this application alone.

The District has decided to pursue this one application alone because it represents its basic telecommunications expenses, while most (although not all) of the other applications are for internal connections, which are primarily improvement and upgrade projects. The services represented in the application appealed herein are basic operations. We have chosen to drop appeals on the project-oriented applications and concentrate solely on the one rejected application which has most impacted the day-to-day operations of Metro Hartford Information Services (MHIS), the information technology department for the City of Hartford and for the Hartford Public Schools.

Metro Hartford Information Services is a consolidated information technology department. It was created in July, 2002 by the merger of the City of Hartford Information Services Department, and the Hartford Public Schools' Department of Information Technology. MHIS has assumed primary responsibility for submitting applications and managing programs and services under the E-Rate program. The Hartford Public Schools has utilized E-Rate funding in every year of the program's existence (except the current one) to construct and maintain a district-wide network which provides technology services to the district's 24,000 students. The District is a severely under-resourced urban school district whose pervasive poverty makes it one of the poorest in the nation. Through the E-Rate program, the District has succeeded in moving the District forward on the technology front, with some fairly impressive results. Because of its success in the first five years of the program, the District has come to rely on the E-Rate discount program to finance some of its basic (telecommunications) operations. As a result, the District has adopted budgets in recent years with only its portion³ of those telecommunications expenses.

During Funding Year 6, MHIS submitted seven Forms 471 for a total amount of \$23,601,489.72, and seeking a discount amount of \$21,241,340.75. During the Selective Review process for the seven applications we identified funding sources for the \$2,360,148.97. The investigation of the SLD found that the School District could only document a support amount of \$2,211,970.68, some \$148,178.29 short of the District's claim. The discrepancy resulted from two (of six) school construction projects which had been identified as funding sources at the time of application not succeeding at referendum. Those school construction projects were identified by the District to support its share of one of the internal connection applications, which is not appealed herein.

At this point in the process, the only application being pursued is for local and long distance telephone service, provided by the Southern New England Telephone Company. That application is for total expenditures of \$1,200,000, with the District's share at \$120,000. During the initial application review period, and during the SLD review process, the District's ability to demonstrate, in its budget documents and other supporting documents, the ability to provide this amount was never questioned.

³ Historically ten to twelve percent.

Consequently, by dropping the appeal of all but this one application, MHIS and the District are asking the Commission to remand the application Number 362101 to the SLD with instructions to review only it. We respectfully and humbly seek to have eligibility restored to meet basic telecommunications operations expenses.

II. FACTS

The seven Forms 471 submitted by MHIS for Funding Year 6 required \$2,360,148.97 in matching funds from the District. During the Selective Review, MHIS identified the following sources and amounts (covering all applications):

- \$ 437,116.68 from school construction projects
- \$ 494,865.00 from the MHIS Technical Services Division budget
- \$ 1,428,167.29 from the MHIS Convergent Service Division Budget.

As it applies to Form 471 Number 362101, MHIS identified the MHIS Convergent Services Division budget as the source for the \$120,000.00 required as the District's portion of the total request of \$1,200,000.00.

In its rejection of the appeal of the six Forms 471, the SLD acknowledged that the "Hartford School System was only [sic] to demonstrate that it had secured access to \$2,211,970.68 (\$1,250,000.00 + \$524,854 + \$437,116.68)."⁴ The amount of \$1,250,000.00 was that portion of the local match that was to be drawn from the MHIS Convergent Services Division Budget. That acknowledged amount is sufficient to meet the required \$120,000.00 local support share for Form 471 Number 362101.

III. DISCUSSION

By withdrawing its appeals of five of the remaining six applications, MHIS seeks to cover only its basic telecommunications services for the current fiscal year and funding cycle. We believe that the SLD's original rejection of the entire package of \$23,601,489.72 of applications, and its subsequent denial of the appeal of six of the seven original applications creates an unreasonable hardship for the district. By segregating the applications and pursuing an appeal to the Commission for only one application, the District essentially postpones all improvement projects for the current year. We have developed a plan to meet current year operational needs through the cutback and elimination of many services, and through the salary account accruals generated from many vacant staff positions, which have remain unfilled to meet the operational budget deficit created by this rejection. The service impact of those unfilled vacancies has been severe.

However, we do not argue that the Commission should overturn this application's rejection on the basis of an impact to the delivery of services. Our appeal is grounded in the fact that we feel we have demonstrated, without question, the ability to provide the matching resources for this one application. The resources identified in the MHIS general fund budget were never disputed by either the original selective reviewer or the SLD appeal reviewer. The capital budget amount that was disputed had been specifically linked to Form 471 Number 364573/FRN 989903, a project for core network infrastructure upgrade, which would have included those schools subject to the rejected construction referendum.


⁴ From USAC/SLD letter, Administrator's Decision on Appeal – Funding Year 2003-2004, February 6, 2004 to Michael J. Vasquezna.

MHIS has limited its appeal in the hope that the Commission will recognize the disproportionate impact the SLD decisions has had on current year operations. To put it quite bluntly, the penalty does not fit the crime.

IV. CONCLUSION

The School District contends that the spirit of the Telecommunications Act of 1996 requires that its application for basic telecommunications services be honored. Accordingly, the School District respectfully requests that the Commission reverse the SLD's decision and remand Funding Year 2003-2004 Form 471 Number 362101 (FRN 986491) to the SLD for further and expedited processing of Hartford's Year 5 telecommunications services application.

Respectfully submitted on behalf of
Hartford Public Schools

By: 
Michael J. Vasquenza,
Chief Information Officer
Metro Hartford Information Services
260 Constitution Plaza
Hartford, CT 06103
mvasquenza@metrohartford.net



Universal Service Administrative Company
Schools & Libraries Division

FUNDING COMMITMENT DECISION LETTER

(Funding Year 2003: 07/01/2003 - 06/30/2004)

October 7, 2003

HARTFORD SCHOOL SYSTEM
Bob Richter
153 MARKET ST
HARTFORD, CT 06103-1325

Re: Form 471 Application Number: 362101
Funding Year 2003: 07/01/2003 - 06/30/2004
Billed Entity Number: 122325
Applicant's Form Identifier: Y6-LLD

Thank you for your Funding Year 2003 E-rate application and for any assistance you provided throughout our review. Here is the current status of the funding request(s) featured in the Funding Commitment Report at the end of this letter.

- The amount, \$1,080,000.00 is "Denied".

Please refer to the Funding Commitment Report on the page following this letter for specific funding request decisions and explanations.

NEW FOR FUNDING YEAR 2003

The Important Reminders and Deadlines immediately preceding this letter are provided to assist you throughout the application process.

NEXT STEPS

- Review technology planning requirements
- Review CIPA Requirements
- File Form 486
- Invoice the SLD using the Form 474 (service providers) or Form 472 (Billed Entity)

FUNDING COMMITMENT REPORT

On the pages following this letter, we have provided a Funding Commitment Report for the Form 471 application cited above. The enclosed report includes a list of the Funding Request Number(s) (FRNs) from your application. The SLD is also sending this information to your service provider(s) so preparations can be made to begin implementing your E-rate discount(s) upon the filing of your Form 486. Immediately preceding the Funding Commitment Report, you will find a guide that defines each line of the Report.

TO APPEAL THIS DECISION:

If you wish to appeal the decision indicated in this letter, your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. In your letter of appeal:

1. Include the name, address, telephone number, fax number, and e-mail address (if available) for the person who can most readily discuss this appeal with us.
2. State outright that your letter is an appeal. Identify which Funding Commitment

Decision(s) you are appealing. Indicate the relevant funding year and the date of the FCDL. Your letter of appeal must also include the Billed Entity Name, the Form 471 Application Number, and the Billed Entity Number from the top of your letter.

3. When explaining your appeal, copy the language or text from the Funding Commitment Report that is at the heart of your appeal, to allow the SLD to more readily understand your appeal and respond appropriately. Please keep your letter to the point, and provide documentation to support your appeal. Be sure to keep copies of your correspondence and documentation.
4. Provide an authorized signature on your letter of appeal.

If you are submitting your appeal on paper, please send your appeal to: Letter of Appeal, Schools and Libraries Division, Box 125 - Correspondence Unit, 80 South Jefferson Road, Whippany, NJ 07981. Additional options for filing an appeal can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We encourage the use of either the e-mail or fax filing options.

While we encourage you to resolve your appeal with the SLD first, you have the option of filing an appeal directly with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be POSTMARKED within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, sent to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

NOTICE ON RULES AND FUNDS AVAILABILITY

Applicants' receipt of funding commitments is contingent on their compliance with all statutory, regulatory, and procedural requirements of the Schools and Libraries Universal Service Support Mechanism. Applicants who have received funding commitments continue to be subject to audits and other reviews that the SLD and/or the FCC may undertake periodically to assure that funds that have been committed are being used in accordance with all such requirements. The SLD may be required to reduce or cancel funding commitments that were not issued in accordance with such requirements, whether due to action or inaction, including but not limited to that by the SLD, the applicant, or the service provider. The SLD, and other appropriate authorities (including but not limited to USAC and the FCC), may pursue enforcement actions and other means of recourse to collect erroneously disbursed funds. The timing of payment of invoices may also be affected by the availability of funds based on the amount of funds collected from contributing telecommunications companies.

Schools and Libraries Division
Universal Service Administrative Company

A GUIDE TO THE FUNDING COMMITMENT REPORT

A report for each E-rate funding request from your application is attached to this letter. We are providing the following definitions for the items in that report.

FORM 471 APPLICATION NUMBER: The unique identifier assigned to a Form 471 application by the SLD.

FUNDING REQUEST NUMBER (ERN): A Funding Request Number is assigned by the SLD to each Block 5 of your Form 471 once an application has been processed. This number is used to report to Applicants and Service Providers the status of individual discount funding requests submitted on a Form 471.

FUNDING STATUS: Each ERN will have one of the following definitions:

1. An ERN that is "Funded" will be approved at the level that the SLD determined is appropriate for that item. The funding level will generally be the level requested unless the SLD determines during the application review process that some adjustment is appropriate.
2. An ERN that is "Not Funded" is one for which no funds will be committed. The reason for the decision will be briefly explained in the "Funding Commitment Decision," and amplification of that explanation may be offered in the section, "Funding Commitment Decision Explanation." An ERN may be "Not Funded" because the request does not comply with program rules, or because the total amount of funding available for this Funding Year was insufficient to fund all requests.
3. An ERN that is "As Yet Unfunded" reflects a temporary status that is assigned to an ERN when the SLD is uncertain at the time the letter is generated whether there will be sufficient funds to make commitments for requests for Internal Connections at a particular discount level. For example, if your application included requests for discounts on both Telecommunications Services and Internal Connections, you might receive a letter with funding commitments for your Telecommunications Services funding requests and a message that your Internal Connection requests are "As Yet Unfunded." You would receive one or more subsequent letters regarding the funding decision on your Internal Connections requests.

SERVICES ORDERED: The type of service ordered from the service provider, as shown on Form 471.

SPIN (Service Provider Identification Number): A unique number assigned by the Universal Service Administrative Company to service providers seeking payment from the Universal Service Fund for participating in the universal service support mechanisms. A SPIN is also used to verify delivery of services and to arrange for payment.

SERVICE PROVIDER NAME: The legal name of the service provider.

CONTRACT NUMBER: The number of the contract between the eligible party and the service provider. This will be present only if a contract number was provided on Form 471.

BILLING ACCOUNT NUMBER: The account number that your service provider has established with you for billing purposes. This will be present only if a Billing Account Number was provided on Form 471.

EARLIEST POSSIBLE EFFECTIVE DATE OF DISCOUNT: The first possible date of service for which the SLD will reimburse service providers for the discounts for the service.

CONTRACT EXPIRATION DATE: The date the contract expires. This will be present only if a contract expiration date was provided on Form 471.

SITE IDENTIFIER: The Entity Number listed in Form 471, Block 5, Item 22a will be listed. This will appear only for "site specific" ERNs.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE RECURRING CHARGES: Eligible monthly pre-discount amount approved for recurring charges multiplied by number of months of recurring service provided in the funding year.

ANNUAL PRE-DISCOUNT AMOUNT FOR ELIGIBLE NON-RECURRING CHARGES: Annual eligible non-recurring charges approved for the funding year.

PRE-DISCOUNT AMOUNT: Amount in Form 471, Block 5, Item 23I, as determined through the application review process.

DISCOUNT PERCENTAGE APPROVED BY THE SLD: This is the discount rate that the SLD has approved for this service.

FUNDING COMMITMENT DECISION: This represents the total amount of funding that the SLD has reserved to reimburse service providers for the approved discounts for this service for this funding year. It is important that you and the service provider both recognize that the SLD should be invoiced and the SLD may direct disbursement of discounts only for eligible, approved services actually rendered.

FUNDING COMMITMENT DECISION EXPLANATION: This entry may amplify the comments in the "Funding Commitment Decision" area.

FUNDING COMMITMENT REPORT

Form 471 Application Number: 362101
Funding Request Number: 986491 Funding Status: Not Funded
Services Ordered: Telecommunications Service
SPIN: 143001305 Service Provider Name: Southern New England Telephone C
Contract Number: HPS0203-03
Billing Account Number: 860-695-8499
Earliest Possible Effective Date of Discount: 07/01/2003
Contract Expiration Date: 06/30/2005
Annual Pre-discount Amount for Eligible Recurring Charges: \$1,200,000.00
Annual Pre-discount Amount for Eligible Non-recurring Charges: \$.00
Pre-discount Amount: \$1,200,000.00
Discount Percentage Approved by the SLD: N/A
Funding Commitment Decision: \$0.00 - Insufficient support resources
Funding Commitment Decision Explanation: During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so.

IMPORTANT REMINDERS & DEADLINES

Date: October 7, 2003
471 : 362101
BEN : 122325

The following information is provided to assist you throughout the application process. We recommend that you keep it in an easily accessible location and that you share it with the appropriate members of your organization.

FORM 486 DEADLINE - The Form 486 must be postmarked no later than 120 days after the Service Start Date you report on the Form 486 or no later than 120 days after the date of the Funding Commitment Decision Letter, whichever is later. If you are required to have a Technology Plan, you must indicate the SLD Certified Technology Approver who approved your plan and you must retain documentation of your monitoring of the progress toward your stated goals.

CHILDREN'S INTERNET PROTECTION ACT (CIPA) - If FY2003 is your Third Funding Year for the purposes of CIPA and you apply for Internet Access or Internal Connections, you must be in compliance with CIPA and cannot request a waiver. The Supreme Court may issue an opinion in July 2003 changing the CIPA requirements - watch the SLD web site.

INVOICE DEADLINE - Invoices must be postmarked no later than 120 days after the last date to receive service - including extensions - or 120 days after the date of the Form 486 Notification Letter, whichever is later. Invoices should not be submitted until the invoiced products and services have been delivered and billed, and (for BEAR Forms) the provider has been paid.

OBLIGATION TO PAY NON-DISCOUNT PORTION - Applicants are required to pay the non-discount portion of the cost of the products and/or services. Service providers are required to bill applicants for the non-discount portion. The FCC has stated that requiring applicants to pay their share ensures efficiency and accountability in the program. If you are using a trade-in as part of your non-discount portion, please refer to the SLD web site.

RETAIN DOCUMENTATION - Applicants and service providers must retain documentation, including but not limited to, documents showing:

- compliance with all applicable competitive bidding requirements,
- products and/or services delivered (e.g., customer bills detailing make, model and serial number),
- resources necessary to make effective use of E-rate discounts, including the purchase of equipment such as workstations not eligible for support,
- the specific location of each item of E-rate funded equipment, and
- the applicant has paid the non-discount portion.

These documents must be retained and available for review for 5 years.

FREE SERVICES ADVISORY - Applicants and service providers are prohibited from using the Schools and Libraries Support Mechanism to subsidize the procurement of ineligible or unrequested products and services, or from participating in arrangements that have the effect of providing a discount level to applicants greater than that to which applicants are entitled.

Complete program information is posted to the Schools and Libraries Division (SLD) web site at www.sld.universalservice.org. Information is also available by contacting the SLD Client Service Bureau by e-mail at question@universalservice.org, by fax at 1-888-276-8726 or by phone at 1-888-203-8100.



Universal Service Administrative Company
Schools & Libraries Division

October 6, 2003

Hartford School System
Bob Richter
153 Market St
Hartford, CT 06103

Re: FCC Form 471 Application Number(s): 362101, 363744, 363823, 364123, 364573,
364924, 364936
Funding Year: 2003-2004
Billed Entity Number: 122325
Case#: SR-2003-122325

Dear Applicant:

Under separate cover, you are being sent a Funding Commitment Decision Letter concerning the FCC Form 471 Application Number(s) cited above. **Please be advised that the Funding Commitment Decision Letter is the official action on all FCC Form(s) 471 by the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC). Please refer to that letter for instructions regarding how to appeal the Administrator's decision, if you wish to do so.**

The purpose of this letter is to provide you with additional information concerning the certification you made in Item 25 of FCC Form(s) 471, Service Ordered and Certification Form. The Item 25 certification states that you had secured access to the resources necessary to make effective use of the services for which you sought discounts. As a result of our review, we have determined that you do not qualify for funding under the Federal Communications Commission (FCC) rules governing the Universal Service Support Mechanism for Schools and Libraries.

This determination was made after careful review of the information that you provided to the fund administrator. After our thorough review of all of the information that you presented to us regarding the resources necessary to effectively use the services you are ordering, as well as to pay for the discounted charges for eligible services, we believe that you have not secured sufficient access to the resources outlined below. Compliance with this requirement to secure necessary resources, including computers, training, software, maintenance, and electrical connections, is one of the items to which you certified on your Form 471 application.

- **Budget:** You did not demonstrate that you have secured the financial resources to pay your share and the estimated investments you reported for Hardware, Professional Development, Software, Retrofitting and Maintenance.

However, since your application included funding requests for unbundled, basic voice services, we have reviewed these separately. You will be receiving, under separate cover, a funding commitment decision letter that addresses those funding requests.

We look forward to continuing our work with you on connecting our schools and libraries together through telecommunications.

Schools and Libraries Division
Universal Service Administrative Company

CC:

AT&T dba Teleport Co
E-Rate Coordinator
55 Corporate Drive
Room 3-2
Bridgewater, NJ 08807-8286

Nextel of New York
Christina Halley
1505 Farm Credit Drive
4th Floor, Cube 4051
McClean, VA 22102

Southern New England
Mary Jo Sagnella
6 Devine Street 4th Floor
North Haven, CT 06473

Total Communications
David Bucci
333 Burnham St.
East Hartford, CT 06108

Mode 1 Communication
John W Noyes
P.O. Box 270
Hartford, CT 06141-0270



Universal Service Administrative Company
Schools & Libraries Division

November 25, 2003

Michael J. Vasquenza
City of Hartford
260 Constitution Plaza
Hartford, CT 06103

The Schools and Libraries Division of the Universal Service Administrative Company has received your correspondence dated November 24, 2003 on November 24, 2003 regarding the 2003-2004 funding decision on your 471 application numbers 362101, 363744, 363823, 364573, 364924, and 364936. These are the steps that will now follow:

1. We will review your correspondence carefully to identify the specific issue(s) it raises.
2. We will consult the program integrity assurance records and all supporting documentation for the application. Our goal is to determine whether the program rules were administered appropriately in processing your application.
3. Once the review process is completed we will respond in writing and state whether your appeal is approved, denied or approved in part. We will then follow with a funding commitment decision letter for any approved appeal resulting in additional discounts for your application. Funds have been set aside to implement funding decisions for appeals approved by the SLD and/or the Federal Communications Commission.

We have begun an in-depth review of the appeals we have received, and our goal is to respond to you as promptly as possible. We thank you in advance for your patience as we handle your case with the care and attention it deserves.

Schools and Libraries Division
Universal Service Administrative Company

City of Hartford and Hartford Public Schools

Metro Hartford Information Services

260 Constitution Plaza, Hartford, CT 06103
Phone: 860-757-9495 Fax: 860-722-6104



COUNCIL – MANAGER GOVERNMENT

Letter of Appeal regarding Funding Year Six funding commitment decisions for the Hartford Public Schools (Billed Entity number 122325)

Introduction

Metro Hartford Information Services (MHIS) is the joint City of Hartford / Hartford Public Schools (HPS) information technology services department. MHIS has primary responsibility for submitting and managing applications for funding under the E-Rate program. HPS (or, "the District") has utilized E-Rate funding in every year of the program to construct and maintain a district-wide network to provide technology-based educational services to its 24,000 students. The District is a critically under-resourced urban school district whose pervasive poverty makes it one of the poorest in the nation.

During the Funding Year 6 application window MHIS submitted seven Form 471 funding applications (Form 471s Nos. 362101, 363744, 363823, 364123, 364573, 364924, and 364936) encompassing a planned \$23,601,489.72 in spending. During the Selective Review process we identified funding sources for the \$2,360,148.97 needed to pay the District's share.

On October 6, 2003 the Schools and Libraries Division (SLD) issued Funding Commitment Decision Letters (FCDLs) for all seven Form 471 applications with a funding commitment decision of "denied". The reason given for the denial in six of the seven FCDLs was "During application review, you were asked to demonstrate that when you filed your Form 471 you had secured access to the funds needed to pay your portion of the charges, and you were unable to do so." The seventh Form 471 (364123) was rejected due to a bidding violation. We are including the financial information from that Form 471 in this appeal as it is relevant to the rejection of the other six; we are appealing the specific reason for our Form 471 #364123 rejection in a separate letter.

We believe that this finding is in error; that MHIS did have access to the \$2,360,148.97 needed. We have carefully reviewed the documentation provided by MHIS staff to the SLD reviewer and maintain that it demonstrated the requisite funds through a combination of School Construction Project bond funds and MHIS General Budget (GB) funds. MHIS bases its appeal of the SLD's funding commitment decisions on the conviction that a review by SLD will find that we have met the criteria for demonstrating access to funds.

Financial Review

The seven Form 471s submitted by MHIS for Funding Year 6 require \$2,360,148.97 in matching funds from the District. During Selective Review we identified the following funds as being available for Year 6 E-Rate matching:

\$437,116.68 from school construction project budgets was identified by Fred Bushey, Director of Buildings & Grounds, in his letter dated July 17, 2003. Director Bushey's letter specifically commits these funds for E-Rate matching. It is attached as Exhibit 1. An additional \$100,000 in funds were cited in the Director's letter, but they were tied to as-yet-unbonded projects and were not available for our use.

The approved budget for Fiscal Year 2003-2004 places at total of \$494,865 in the MHIS Technical Services division budget under the Maintenance and Telecommunications line-items. It is our intent to utilize the \$494,865 from these two line-items as E-Rate matching funds. Please see Exhibit 2 (the City Manager's final budget for Fiscal Year 2003-2004 Appendix A - MHIS) page A-3, attached.

The approved budget for Fiscal Year 2003-2004 places a total of \$1,684,977 in the MHIS Convergent Services division budget under the Telecommunications line-item. It is our intent to utilize \$1,428,167.29 from this line-item as E-Rate matching funds. Please see Exhibit 2 page A-5.

The combination of these three funding sources yields \$2,360,148.97. This meets the \$2,360,148.97 in E-Rate matching funds required to meet our portion of the \$23,601,489.72 requested in our seven Form 471 applications.

Financial Breakdown

This section illustrates, in detail, MHIS's plans for meeting its obligations for each of our Form 471 applications and their component FRNs. This information is presented in tabular form in Exhibit 3, attached.

Form 471 #362101

FRN 986491

SNET local phone service

Requested funding \$1,200,000.00

MHIS portion \$120,000.00

Source of funding: \$120,000.00 Convergent Services division Telecom. line item

Form 471 #363744

FRN 986631

Mode 1 leased fiber maintenance

Requested funding \$98,499.96

MHIS portion \$9,850.00

Source of funding: \$9,850.00 Convergent Services division Telecom. line item

Form 471 #363823

FRN 986923

AT&T Internet service

Requested funding: \$357,120.00

MHIS portion: \$35,712.00

Source of funding: \$35,712.00 Convergent Services division Telecom. line item

Form 471 #364123

FRN 987979

Nextel cell phone service

Requested funding: \$240,000.00

MHIS portion: \$24,000.00

Source of funding: \$24,000.00 Convergent Services division Telecom. line item

Form 471 #364573

FRN 989659

SNET - Network Equipment & Maintenance

Requested funding: \$2,266,231.55

MHIS portion: \$226,623.16

Source of funding: \$226,623.16 Convergent Services division Telecom. line item

FRN 989903

SNET - Core Network Infrastructure

Requested funding: \$7,546,620.60

MHIS portion: \$754,662.06

Sources of funding:	\$566,383.06	Convergent Services division Telecom. line item
	\$88,279.00	Hartford Public High School construction bond
	\$50,000.00	Burr Elementary School construction bond
	<u>\$50,000.00</u>	Rawson Elementary School construction bond
	\$754,662.06	

FRN 989912

SNET - CoSine IP Services Router

Requested funding: \$594,586.00

MHIS portion: \$59,458.60

Source of funding:	\$59,458.60	Convergent Services division Telecom. line item
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FRN 993136

SNET - Communications Servers

Requested funding: \$419,060.00

MHIS Portion: \$41,906.00

Source of funding:	\$41,906.00	Convergent Services division Telecom. line item
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Form 471 #364924

FRN 990849

SNET - Hartford Public High School network build-out

Requested funding: \$2,488,376.79

MHIS Portion: \$248,837.68

Source of funding:	\$248,837.68	Hartford Public High School construction bond
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Form 471 #364936

FRN 990877

Total Communications - Video Servers

Requested funding: \$872,640.00

MHIS Portion: \$87,264.00

Source of funding:	\$87,264.00	Technical Services division Maintenance line item
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FRN 990945

Total Communications - "Internal" Wireless

Requested funding: \$4,482,271.82

MHIS Portion: \$448,227.18

Sources of funding:	\$181,906.20	Technical Services division Maintenance line item
	<u>\$266,320.98</u>	Convergent Services division Telecom. line item
	\$448,227.18	

FRN 990948

Total Communications - "External" Wireless

Requested funding: \$2,256,948.00

MHIS Portion: \$225,694.80

Sources of funding: \$154,162.80

\$71,532.00

\$225,694.80

Technical Services division Maintenance line item

Technical Services division Telecom. line item

FRN 992227

Total Communications - Telephony Equipment & Maintenance

Requested funding: \$779,135.00

MHIS Portion: \$77,913.50

Source of funding: \$77,913.50

Convergent Services division Telecom. line item

Point of Contact

Please refer all specific questions regarding this appeal to:

Stephen Shipman

Director, Technical Services

seshipma@metrohartford.net

(860) 695-8418 – office

(860) 722-6014 – fax

Conclusion

The information presented by MHIS staff during Selective Review, and reiterated here in this appeal letter demonstrates that at the time of our Form 471 filing MHIS had access to the Grant and GB funds needed to pay our portion of the applications. Hartford is a thoroughly impoverished municipality. Our District average discount rate of 89% clearly shows our citizens' level of economic disadvantage. HPS has successfully utilized E-Rate funds to tie its schools together, join them with the City's Public Libraries, renovate school telecommunications, and bring technology-based learning into the classroom. We are making progress in raising test scores and improving learning. In 1998 Hartford was at the bottom of the list in Connecticut Mastery Test scores; Hartford is now off the bottom and rising. The SLD's denial of our Year 6 funding requests, which we believe we have demonstrated was in error, threatens the educational momentum the District has created.

Respectfully submitted,

Michael J. Vasquenza

Chief Information Officer

Metro Hartford Information Services



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal - Funding Year 2003-2004

February 6, 2004

Michael J. Vasquenza
Metro Hartford Information Services
260 Constitution Plaza
Hartford, CT 06103

Re: Hartford School System

Re: Billed Entity Number: 122325
 471 Application Number: 362101
 Funding Request Number(s): 986491
 Your Correspondence Received: November 25, 2003

After thorough review and investigation of all relevant facts, the Schools and Libraries Division ("SLD") of the Universal Service Administrative Company ("USAC") has made its decision in regard to your appeal of SLD's Year 2003 Funding Commitment Decision for the Application Number indicated above. This letter explains the basis of SLD's decision. The date of this letter begins the 60-day time period for appealing this decision to the Federal Communications Commission ("FCC"). If your letter of appeal included more than one Application Number, please note that for each application for which an appeal is submitted, a separate letter is sent.

Funding Request Number: 986491
Decision on Appeal: **Denied in full**
Explanation:

- In your appeal, you have indicated that Metro Hartford Information Services (MHIS) had access to the applicant's portion of E-Rate funding through a combination of School Construction Project bond funds and MHIS General Budget (GB) funds. You also provided a Financial Review that summarized various budgetary items and a Financial Breakdown that detailed various budgetary items. Your appeal indicates that the non-discounted amount of \$2,360,148.97 will come from the following three sources:
 - \$437,116.68 from School Construction Projects
 - \$494,865 from the MHIS Technical Services Budget
 - \$1,428,167.29 from the MHIS Convergent Services Budget

- Furthermore, you provided copies of correspondence between Hartford School System and SLD regarding Hartford School System's ability to pay its non-discounted share. You feel that MHIS has demonstrated that it has access to the funds to pay its non-discounted share. Accordingly, you would like the SLD to reconsider its decision to deny funding for this request.
- During the course of review, the SLD contacted the Hartford School System and asked it to provide documentation to demonstrate that it had secured access to the necessary resources to pay the non-discounted portion of the funding requested. Hartford School System provided an MHIS Departmental Budget Summary that outlined neither E-Rate revenues nor expenses; a handwritten note indicated that its portion of E-Rate would come from the MHIS GB and the Hartford Public High School Building Fund. Since the documentation provided did not demonstrate Hartford School System's ability to pay its non-discounted portion, the SLD requested additional information.
- The SLD then requested that it provide a budget for funding year 2003-2004 that delineated its portion of both E-Rate revenues and E-Rate expenses; said budget was requested to be either (a) finalized and approved; or (b) an acceptable alternative (draft budget, board resolution, donor letter), but with an authorized letter of explanation. Hartford School System provided a budget for funding year 2003-2004 ("Attachment 1 - 471 Financials") and a letter of explanation ("Budget Breakdown"). The budget categorized its portion of the E-Rate revenues as General Budget Costs and Other Funding Sources. The letter of explanation further delineated the revenues as follows:
 - \$1,250,000.00 from the GB - Convergent Service General Budget
 - \$524,854.00 from the MHIS Technical Services General Budget
 - \$587,116.68 from six different School Construction Projects ("Other Funding Sources")
- To further support the Other Funding Sources, Frederick Bushey, Hartford Public Schools Director of Buildings and Grounds, provided a letter dated July 17, 2003. The letter indicated that only \$437,116.68 in Construction Projects was approved. The letter further indicated that two of the construction projects were not approved and were pending a November 2003 referendum. Based on the July 17, 2003 response, the SLD determined that the Hartford School System had not secured access to the funds it indicated were allocated to pay its non-discounted portion of funding. Hartford School System was only to demonstrate that it had secured access to \$2,211,970.68 (\$1,250,000+\$524,854+\$437,116.68).
- In your appeal, you acknowledge that not all of the School Construction Funds were approved or secured, at the time of filing the Form 471. However, on appeal you provided documentation indicating that the non-discounted portion was coming from the same budget line items as indicated

during initial review, but in different percentages. Except under limited circumstances the SLD will not accept new information on appeal. During the course of initial review, the Hartford School System was given the opportunity to demonstrate that it had secured access to the resources necessary to pay non-discounted portion of the funding requested. The documentation provided indicated that not all of the funding to pay non-discounted portion had been secured. Consequently, the SLD will not accept the new information provided on appeal.

- FCC rules require applicants to certify that, at the time they submit the FCC Form 471, they have secured access to all of the resources, including computers, training, software, maintenance, and electrical connections necessary to make effective use of the services purchased as well as to pay the discounted charges for eligible services. 47 C.F.R. sec. 54.504(b); FCC Form 471, item 25. SLD reviews this certification by conducting an item 25 "necessary resources" review. The FCC has emphasized the importance of conducting this review to protect the integrity of the program. In re New Orleans Public Schools; CC Docket Nos. 96-45, 96-21; DA 01-2097 (rel. Sep. 18, 2001).
- SLD's review of your application indicated that the information you provided during the Item 25 review was not sufficient to demonstrate that, at the time you submitted your Form 471 application; you had secured access to these funds. In your appeal, you did not demonstrate that at the time you submitted your Form 471 application, you had secured access to these funds. Consequently, SLD denies your appeal.

If you believe there is a basis for further examination of your application, you may file an appeal with the Federal Communications Commission (FCC). You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. Your appeal must be **POSTMARKED** within 60 days of the above date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found in the "Appeals Procedure" posted in the Reference Area of the SLD web site or by contacting the Client Service Bureau. We strongly recommend that you use either the e-mail or fax filing options.

We thank you for your continued support, patience, and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company